Autonomy to Indian Airlines

*585. SHRI RAHASBIHARI BARIK: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have a proposal to give autonomy to Indian Airlines;

(b) if so, the reasons for taking such a decision;

(c) whether Government have assessed the impact of withdrawing its full control from Indian Airlines;

(d) if so, the details thereof; and

(e) the steps taken thereon?

THE MINISTER OF CIVIL AVIATION (SHRI ANANTH KUMAR): (a) to (e) With the repeal of the Air corporations Act, 1953 Indian Airlines became a Public Limited Company under the Companies Act, 1956 w.e.f. 1.3.94. Indian Airlines as a Public Limited Company operates as per the Memorandum & Articles of Association and the delegated financial powers by the Government.

However, as a part of an overall strategy to restructure Indian Airlines and expand its capacity, Government propose to restructure the capital of indian Airlines and also to undertake a phased disinvestment in the company over three years, bringing the Government's equity holding down to 49%. As a shareholder, Government will continue to discharge its role as per the Memorandum & Articles of Association duly approved by the competent authority.

External Debt

*586. SHRI SURYABHAN PATIL VAHADANE: Wll the Minister of FINANCE be pleased to state:

(a) the total amount of external debt owed by the country;

(b) what has been the addition to the country's external debt on account of depreciation of rupee between September, 1997 and June 1998; and

(c) the steps being taken by the Government to bring down short term debt of the country?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) According to the latest available estimates, the external debt of India as on September 30, 1997 was US dollar 92.88 billion.

(b) External debt figures are compiled on a semi-annual basis i.e. for end-March and end-September. The latest estimates is for September 30, 1997 which in Rupee terms was Rupees 3,36,646 crores. Valuing the currency-wise end-September 1997 debt outstanding at end-June 1998 exchange rates give us an estimate of Rs. 3,78,835 crores which is an (estimated) increase of Rs. 42,189 crores (12.5 per cent). However, in US Dollar terms, the change in the value of our external debt between end-September 1997 and end-June 1998 due to currency changes has declined.

(c) Management of short-term debt forms an integral part of the overall external debt management strategy. This is sought to be achieved through encouraging external deposits with longer maturity, lengthening the maturity profile of commercial loans and to avoid bunching of repayments of maturing debt in any particular period.

Lead Banks in Gujarat

*587. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state:

(a) the leads Banks in Gujarat as on date district wise;

(b) whether it is a fact that most of these Banks are haveing shortfall in lending to the priority sector including agriculture and SSI sector;

(c) if so, the details thereof for the last three years, year-wise; and

(d) the steps Government propose to take to ensure that lending to priority sector in Gujarat is fully met by public sector Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM):

(a) The names of the lead banks in Gujarat and the Districts covered by them are given below:

Lead Bank	Districts
i. Bank of Baroda	1. Vadodara
	2. Bharuch
	3. Valsad
	4. Dangs
	5. Kheda
	6. Panchamahals
	7. Surat
	8. Anand
	9. Godhra
	10. Dahod
	11. Navsari
	12. Narmada
ii. Dena Bank	1. Ahmedabad
	2. Banaskantha
	3. Gandhi Nagar
	4. Kutch
	5. Mehsana
	6. Sabarkantha
	7. Patan
iii. State Bank of Saurashtra	1. Amreli
	2. Bhavnagar
	3. Jamnagar
	4. Junagarh
	5. Rajkot
	6. Surendranagar
	7. Porbandar

(b) and (c) The target of lending to priority sector for Indian commercial banks is 40 per cent of net bank credit on an All India basis. The performance of these three banks in lending to priority sector in Gujarat during the last three years is given below:

Name of the lead bank	Priority sector lending as percentage of net bank cradit in Guarat		
	1995-96	1996-97	1997-98
1. Bank of Baroda	45	41	43
2. Dena Bank	39	37	44
3. State Bank of Saurashtra	47	47	51

(d) The State Level Bankers' Committee in Gujarat regularly reviews all aspects of bank credit including lending to priority sector. To improve the infrastructure in rural areas and with a view to enhance credit flow, the States were allowed loans under Rural infrastructure Development Fund (RIDF)-I,II and III. A number of steps have also been taken by the Govt., RBI and NABARD to enhance credit flow to agricultural sector including advice to commercial banks to increase credit to agriculture by 25 per cent and setting up separate agricultural branches exclusively for high tech agricultural advances.

Steps to Attract foreign Capital

*588. DR. D. VENKATESHWAR RAO: Will the Minister of FINANCE to pleased to state the steps taken to attract private foreign capital to offset the decline in official flows on account of economic sanctions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): The general approach of the Government in countering the effect of the sanctions is to try to get a better understanding of our position on the part of other countries and also to ensourage private capital flows. To this end, the Government is pursuing its stated policies of encouraging foreign direct investment and investments from NRIs and FIIs while ensuring that our domestic economic situation continues to be strong.

In conformity with the policy of the Government various measures have been